

Application for an Initiative or Referendum

Utah Code § 20A-7-202



PLEASE NOTE: A copy of the law must be attached to this application along with a statement indicating whether or not signature gatherers will be paid for their services.

Please type or print

Application must be completed by five sponsors

Sponsor Statement

I, YORAM BAUMAN affirm that I am a resident of Utah and I have voted in a regular
Name of Sponsor (please type or print) general election in Utah within the last three years.

825 E ZOGAN AVE
Residence Address

SALT LAKE CITY UT 84105 206-351-5719
City, State, Zip Phone Number

YORAM@STANDUPFORCONSTIT.COM
Email

Sponsor's Signature

Notary Seal

Subscribed and affirmed before me this 2nd day of May 2019
by Notary Public



Sponsor Statement

I, David Carrier affirm that I am a resident of Utah and I have voted in a regular
Name of Sponsor (please type or print) general election in Utah within the last three years.

3150 East Louise Ave
Residence Address

Salt Lake City, UT 84109 385 227 7235
City, State, Zip Phone Number

carrier.dave@gmail.com
Email

Sponsor's Signature

Notary Seal

Subscribed and affirmed before me this 2nd day of May 2019
by Notary Public



To File This Form

Mail or deliver to:
Lieutenant Governor's Office
Utah State Capitol
Suite 220
Salt Lake City, UT 84114-2325
Fax (801) 538-1133

For More Information Call or Visit:
(801) 538-1041
1-800-995-VOTE (8683)
elections.utah.gov

Received

MAY 17 2019

Spencer J. Cox
Lieutenant Governor

Application for an Initiative or Referendum

Utah Code § 20A-7-202

Name of Organization

Sponsor Statement

I, Colleen Farmer _____ affirm that I am a resident of Utah and I have voted in a regular
Name of Sponsor (please type or print) general election in Utah within the last three years.

3150 Louise Ave _____ [Signature] _____
Residence Address Sponsor's Signature

Salt Lake City UT 84109 _____ 801 581 4236 _____
City, State, Zip Phone Number Notary Seal

cg.farmer@gmail.com _____
Email
Subscribed and affirmed before me this 2nd day of May 2019.
by [Signature] _____
Notary Public



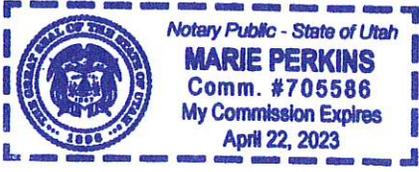
Sponsor Statement

I, ROBERT CIERI _____ affirm that I am a resident of Utah and I have voted in a regular
Name of Sponsor (please type or print) general election in Utah within the last three years.

859 LE GRAND ST _____ [Signature] _____
Residence Address Sponsor's Signature

SALT LAKE CITY, UT 84108 _____ 801-585-7756 _____
City, State, Zip Phone Number Notary Seal

bob.cieri@gmail.com _____
Email
Subscribed and affirmed before me this 8 day of MAY 2019.
by [Signature] _____
Notary Public



Application for an Initiative or Referendum

Utah Code § 20A-7-202

Name of Organization

Sponsor Statement

I, Joseph W. Cauceglia affirm that I am a resident of Utah and I have voted in a regular
Name of Sponsor (please type or print) general election in Utah within the last three years.

995 Echo Lane
Residence Address

[Signature]
Sponsor's Signature

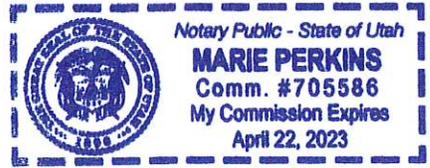
Park City, UT, 84098 435 714 9130
City, State, Zip Phone Number

Notary Seal

J.Cauceglia@gmail.com
Email

Subscribed and affirmed before me this 8th day of May 2019.

by [Signature]
Notary Public



1 **CLEAN THE AIR CARBON TAX ACT**

2 **LONG TITLE**

3 **General Description:**

4 This bill creates a tax on carbon dioxide emissions.

5 **Statement of Intent and Subject Matter**

6 The intent of this bill is to reduce carbon dioxide emissions with a carbon tax, with
7 approximately one-third of the revenue directed to improving local air quality and promoting
8 rural economic development and approximately two-thirds of the revenue directed to reducing
9 existing taxes, including elimination of the state sales tax on grocery store food.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ requires the Department of Environmental Quality to certify carbon dioxide
- 13 emissions by certain taxpayers;
- 14 ▶ establishes a grant program to fund projects that assist air quality control regions in
- 15 the state to achieve attainment status;
- 16 ▶ modifies the individual income tax credit for retirement income;
- 17 ▶ creates a refundable state earned income tax credit and provides for apportionment
- 18 of that tax credit;
- 19 ▶ requires the Division of Finance to reimburse the Education Fund from the Carbon
- 20 Emissions Tax Expendable Revenue Fund for certain tax credits claimed;
- 21 ▶ eliminates the state sales and use tax on food;
- 22 ▶ eliminates the state sales and use tax on residential fuel and commercial fuel;
- 23 ▶ modifies dedicated credit calculations;
- 24 ▶ imposes a carbon dioxide emissions tax, including:
 - 25 · defining terms;
 - 26 · requiring records;
 - 27 · addressing rate and remittance requirements for tax on motor fuel, special fuel,
 - 28 aviation fuel, natural gas, large emitter emissions, and electricity;

- 29 · granting rulemaking authority; and
- 30 · creating the Carbon Emissions Tax Expendable Revenue Fund and the Carbon
- 31 Emissions Tax Refund Restricted Account and providing for the funds'
- 32 expenditure; and
- 33 ▶ makes technical and conforming changes.

34 **Money Appropriated in this Bill:**

35 None

36 **Other Special Clauses:**

37 This bill provides a special effective date.

38 **Utah Code Sections Affected:**

39 AMENDS:

40 **35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421

41 **35A-8-309**, as last amended by Laws of Utah 2019, Chapter 493

42 **59-10-1019**, as renumbered and amended by Laws of Utah 2008, Chapter 389

43 **59-12-103**, as amended by Laws of Utah 2019, Chapters 1, 136, and 479

44 **63N-2-502**, as last amended by Laws of Utah 2016, Chapter 350

45 **72-2-126**, as last amended by Laws of Utah 2016, Chapter 38

46 ENACTS:

47 **19-1-207**, Utah Code Annotated 1953

48 **19-1-208**, Utah Code Annotated 1953

49 **19-2-401**, Utah Code Annotated 1953

50 **59-10-1102.1**, Utah Code Annotated 1953

51 **59-10-1113**, Utah Code Annotated 1953

52 **59-30-101**, Utah Code Annotated 1953

53 **59-30-102**, Utah Code Annotated 1953

54 **59-30-103**, Utah Code Annotated 1953

55 **59-30-104**, Utah Code Annotated 1953

56 **59-30-201**, Utah Code Annotated 1953

57 **59-30-202**, Utah Code Annotated 1953

58 **59-30-203**, Utah Code Annotated 1953

59 **59-30-204**, Utah Code Annotated 1953

60 59-30-205, Utah Code Annotated 1953

61 59-30-206, Utah Code Annotated 1953

62 59-30-207, Utah Code Annotated 1953

63 59-30-301, Utah Code Annotated 1953

64 59-30-302, Utah Code Annotated 1953

65

66 *Be it enacted by the people of the State of Utah:*

67

68 Section 1. Section 19-1-207 is enacted to read:

69 **19-1-207. Certification of large emitter for tax purposes.**

70 (1) As used in this section:

71 (a) "Dyed diesel fuel" means the same as that term is defined in Section 59-13-102.

72 (b) "Large emitter" means the same as that term is defined in Section 59-30-102.

73 (c) "Metric ton" means the same as that term is defined in Section 59-30-102.

74 (d) "Operator" means the same as that term is defined in Section 59-30-102.

75 (2) (a) On or before May 1, an operator shall apply to the department for a written
76 certification of the total number of metric tons of carbon dioxide that the large emitter emitted
77 in this state during the previous calendar year from combustion of:

78 (i) coal;

79 (ii) dyed diesel fuel; and

80 (iii) fuel gas.

81 (b) In applying for the certification required by this section, an operator shall provide
82 the department with the following information for the previous calendar year:

83 (i) (A) the number of short tons for each type of coal that the large emitter combusted
84 in this state;

85 (B) the number of gallons of dyed diesel fuel that the large emitter combusted in this
86 state; and

87 (C) the number, in thousands, of standard cubic feet of fuel gas that the large emitter
88 combusted in this state;

89 (ii) measurements in metric tons of carbon dioxide emissions from combustion in this
90 state by the large emitter of:

91 (A) coal;

92 (B) dyed diesel fuel; and

93 (C) fuel gas; and

94 (iii) any information that the large emitter may be required to provide to the United
95 States Environmental Protection Agency for the facility by 40 C.F.R. Sec. 98.2.

96 (3) (a) Prior to issuing a certification, the department shall determine the large emitter's
97 number of metric tons of carbon dioxide emissions by converting the reported number of short
98 tons of coal, the reported number of gallons of dyed diesel fuel, and the reported number, in
99 thousands, of standard cubic feet of fuel gas to metric tons of carbon dioxide emissions.

100 (b) In making the conversions required by this Subsection (3), the department shall use
101 the following formulas:

102 (i) for coal:

103 (A) one short ton of anthracite equals 2.579 metric tons of carbon dioxide emissions;

104 (B) one short ton of bituminous equals 2.237 metric tons of carbon dioxide emissions;

105 (C) one short ton of coke equals 2.830 metric tons of carbon dioxide emissions;

106 (D) one short ton of lignite equals 1.266 metric tons of carbon dioxide emissions; and

107 (E) one short ton of subbituminous equals 1.686 metric tons of carbon dioxide
108 emissions;

109 (ii) for dyed diesel fuel, one gallon equals .01016 metric tons of carbon dioxide
110 emissions; and

111 (iii) for fuel gas, 1,000 standard cubic feet equal .0819 metric tons of carbon dioxide
112 emissions.

113 (c) The department may use information reported in accordance with Subsection
114 (2)(b)(iii) to assess the accuracy of the information reported in accordance with Subsections
115 (2)(b)(i) through (ii).

116 (4) On or before June 1, the department shall:

117 (a) issue to the operator, on a form provided by the State Tax Commission, a
118 certification of the total number of metric tons of carbon dioxide emissions that the large
119 emitter emitted during the previous calendar year; and

120 (b) provide the State Tax Commission with an electronic report listing the name and
121 address of each operator to which the department issued a certification under this section.

122 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
123 department may make rules governing the process for an operator to apply for and the
124 department to issue a written certification required by this section.

125 (6) The department shall notify the State Tax Commission if the department concludes
126 that there is an error in a previously issued written certification that may require the large
127 emitter to file an amended return in accordance with Section 59-30-104.

128 (7) The provisions of this section apply beginning on January 1, 2022.

129 Section 2. Section **19-1-208** is enacted to read:

130 **19-1-208. Certification of electricity provider.**

131 (1) As used in this section:

132 (a) "Declared resource" means each electricity generating unit that an electricity
133 generator uses to generate electricity.

134 (b) "Electricity" means the same as that term is defined in Section 59-30-102.

135 (c) (i) "Electricity generator" means a person that generated any electricity that the
136 person provided to an electricity provider.

137 (ii) "Electricity generator" includes an electricity provider if the electricity provider
138 generates electricity that the electricity provider delivers in the state.

139 (d) "Electricity provider" means the same as that term is defined in Section 59-30-102.

140 (e) "Fuel mix" means the actual or imputed fuel sources to generate electricity
141 expressed in terms of percentage contribution by each type of fuel used to produce the
142 electricity.

143 (f) "Metric ton" means the same as that term is defined in Section 59-30-102.

144 (2) (a) On or before May 1, an electricity provider shall apply to the department for a
145 written certification of the number of metric tons of carbon dioxide emitted to produce
146 electricity that the electricity provider delivered in the state during the previous calendar year.

147 (b) In applying for the certification required by this section, an electricity provider
148 shall provide to the department the following information for the previous calendar year:

149 (i) the number of megawatt hours of electricity that the electricity provider delivered to
150 retail customers in this state;

151 (ii) the number of megawatt hours of electricity that the electricity provider delivered
152 to retail customers in all states;

153 (iii) the number of megawatt hours of electricity from declared resources that the
154 electricity provider delivered to retail customers in all states;

155 (iv) the number of megawatt hours of electricity from undeclared resources that the
156 electricity provider delivered to retail customers in all states, calculated by subtracting from the
157 number of megawatt hours in Subsection (2)(a)(ii) the number of megawatt hours of declared
158 resources in Subsection (2)(a)(iii);

159 (v) for each declared resource from which the electricity provider received electricity:

160 (A) the primary fuel source and other major characteristics of the resource, for
161 example sub-bituminous coal, combined-cycle natural gas turbine, small modular nuclear,
162 solar, wind, or geothermal;

163 (B) the number of megawatt hours of electricity that the electricity provider received
164 from that declared resource, net of wholesale sales;

165 (C) the average number of metric tons of carbon dioxide produced per megawatt hour
166 for that declared resource, if that number is available for the previous calendar year;

167 (vi) information that the electricity provider or the person from which the electricity
168 provider purchases electricity provides to the Federal Power Commission as required by 16
169 U.S.C. Secs. 796, 797, 825c, and 825h; and

170 (vii) information on fuel mix that the electricity provider or the person from which the
171 electricity provider purchases electricity is required to disclose to another state or to a person in
172 another state.

173 (c) The numbers in Subsection (2)(b) must not include electricity generated on-site at a
174 retail electric customer's premises.

175 (3) (a) Prior to issuing a certification, the department shall determine the electricity
176 provider's metric tons of carbon dioxide emissions by:

177 (i) multiplying, for each declared resource for which an average number of metric tons
178 of carbon dioxide produced per megawatt hour is reported, the number of megawatt hours of
179 electricity that the electricity provider received from that declared resource by the average
180 number of metric tons of carbon dioxide produced per megawatt hour for that declared
181 resource;

182 (ii) multiplying, for each declared resource for which an average number of metric tons
183 of carbon dioxide produced per megawatt hour is not reported, the number of megawatt hours
184 of electricity that the electricity provider received from that declared resource by:

185 (A) 1.0 if the primary fuel source for the declared resource is coal or petroleum;

186 (B) 0.5 if the primary fuel source for the declared resource is natural gas; or

187 (C) 0.0 if the primary fuel source is not a fossil fuel.

188 (iii) multiplying, for any undeclared resources, the number of megawatt hours of
189 electricity by 1.0.

190 (iv) adding together the calculations described in Subsection (3)(a)(i) through (iii).

191 (b) The department may use the information reported in accordance with Subsections
192 (2)(b)(vi) through (vii) to assess the accuracy of the information reported in accordance with
193 Subsections (2)(b)(i) through (v).

194 (4) On or before June 1, the department shall:

195 (a) issue to the electricity provider, on a form provided by the State Tax Commission, a
196 certification of the total number of carbon dioxide emissions emitted to produce electricity that
197 the electricity provider delivered in the state during the previous calendar year; and

198 (b) provide the State Tax Commission with an electronic report listing the name and
199 address of each electricity provider to which the department issues a certification under this
200 section.

201 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
202 department may make rules governing the process for an electricity provider to apply for and
203 the department to issue a written certification required by this section.

204 (6) The department shall notify the State Tax Commission if the department concludes
205 that there is an error in a previously issued written certification that may require the electricity
206 provider to file an amended return in accordance with Section 59-30-104.

207 (7) The provisions of this section apply beginning on January 1, 2022.

208 Section 3. Section **19-2-401** is enacted to read:

209 **Part 4. Clean Air Grant Program**

210 **19-2-401. Clean air grant program.**

211 (1) As used in this section:

212 (a) "Advisory board" means the Air Quality Policy Advisory Board created in Section
213 19-2a-102.

214 (b) "Air quality control region" means an area within the state designated as an air
215 quality control region in accordance with the Clean Air Act, 42 U.S.C. Sec. 7407.

216 (c) "Attainment status" means a designation of attainment under the Clean Air Act, 42
217 U.S.C. Sec. 7407(d)(1)(A)(ii), for one or more pollutants for which there are national ambient
218 air quality standards established under 42 U.S.C. Sec. 7409.

219 (d) "Clean air grant program" means the program created by this section.

220 (2) (a) Subject to other provisions of this section, the executive director may award a
221 grant to any person that submits a proposal for a project that the department, after consulting
222 with the advisory board, determines will assist one or more air quality control regions to
223 achieve attainment status.

224 (b) The department may use up to 2% of the money appropriated to the department for
225 the clean air grant program for administrative purposes, including monitoring and compliance.

226 (3) A person that seeks to obtain a grant shall, using forms the department requires by
227 rule, make a written application describing:

228 (a) the proposed use for grant funds;

229 (b) the projected impact the project will make in assisting one or more air quality
230 control regions to achieve attainment status; and

231 (c) any other relevant information requested by the department.

232 (4) (a) Both the department and the advisory board shall review any applications
233 submitted under this section.

234 (b) The department shall evaluate proposals and award grants:

235 (i) after receiving recommendations from the advisory board;

236 (ii) after reviewing the administrative costs of a proposed project and giving priority to
237 a project with low administrative costs compared to the cost of the project; and

238 (iii) in accordance with the process the department establishes by rule.

239 (c) The aggregate amount of grants the executive director awards in a fiscal year may
240 not exceed the amount that the Legislature appropriates into the clean air grant program for the
241 previous fiscal year.

242 (5) If the executive director awards an aggregate amount of grants in a fiscal year that
243 is less than the amount that the Legislature appropriates into the clean air grant program for the
244 previous fiscal year, the money not awarded shall lapse to the Carbon Emissions Tax Refund
245 Restricted Account created in Section 59-30-302.

246 (6) The department may not award a grant under this section to a proposed project that
247 targets an air quality control region that has achieved attainment status with respect to a
248 pollutant that the project proposes to address.

249 (7) (a) On or before October 31, the department shall make an in-person report to the
250 Natural Resources, Agriculture, and Environment Interim Committee and the Revenue and
251 Taxation Interim Committee.

252 (b) The department shall include in the report:

253 (i) the amount of money the executive director awarded under this section during the
254 previous fiscal year;

255 (ii) the uses of the money awarded under this section during the previous fiscal year;

256 (iii) a report on the status of the state's air quality and the impact of the clean air grant
257 program on the state's air quality; and

258 (iv) any other relevant information requested by the Natural Resources, Agriculture,
259 and Environment Interim Committee or the Revenue and Taxation Interim Committee.

260 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
261 department, after consultation with the advisory board, shall make rules governing:

262 (a) the process for a person to file an application to receive a grant;

263 (b) criteria the executive director shall consider in prioritizing proposals and awarding
264 grants; and

265 (c) the process for disbursing grant funds.

266 Section 4. Section **35A-8-308** is amended to read:

267 **35A-8-308. Throughput Infrastructure Fund.**

268 (1) There is created an enterprise fund known as the Throughput Infrastructure Fund.

269 (2) The fund consists of money generated from the following revenue sources:

270 (a) all amounts transferred to the fund [~~under Subsection 59-12-103(12)~~] by statute;

271 (b) any voluntary contributions received;

272 (c) appropriations made to the fund by the Legislature; and

273 (d) all amounts received from the repayment of loans made by the impact board under
274 Section 35A-8-309.

275 (3) The state treasurer shall:

276 (a) invest the money in the fund by following the procedures and requirements of Title
277 51, Chapter 7, State Money Management Act; and

278 (b) deposit all interest or other earnings derived from those investments into the fund.
279 Section 5. Section **35A-8-309** is amended to read:

280 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**
281 **Uses -- Review by board -- Annual report -- First project.**

282 (1) The impact board shall:

283 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
284 35A-8-308 for a throughput infrastructure project;

285 (b) use money transferred to the Throughput Infrastructure Fund [~~in accordance with~~
286 ~~Subsection 59-12-103(12)] by statute to provide a loan or grant to finance the cost of
287 acquisition or construction of a throughput infrastructure project to one or more local political
288 subdivisions, including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal
289 Cooperation Act;~~

290 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
291 of the fund revolving;

292 (d) determine provisions for repayment of loans;

293 (e) establish criteria for awarding loans and grants; and

294 (f) establish criteria for determining eligibility for assistance under this section.

295 (2) The cost of acquisition or construction of a throughput infrastructure project
296 includes amounts for working capital, reserves, transaction costs, and other amounts
297 determined by the impact board to be allocable to a throughput infrastructure project.

298 (3) The impact board may restructure or forgive all or part of a local political
299 subdivision's or interlocal agency's obligation to repay loans for extenuating circumstances.

300 (4) To receive assistance under this section, a local political subdivision or an
301 interlocal agency shall submit a formal application containing the information that the impact
302 board requires.

303 (5) (a) The impact board shall:

304 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
305 before approving the loan or grant and may condition its approval on whatever assurances the
306 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
307 accordance with this section;

308 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
309 scheduled principal repayment; and

310 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
311 the appropriate local political subdivision or interlocal agency issued to the impact board and
312 payable from the net revenues of a throughput infrastructure project.

313 (b) An instrument described in Subsection (5)(a)(iii) may be:

314 (i) non-recourse to the local political subdivision or interlocal agency; and

315 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

316 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate
317 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by
318 the Legislature for the administration of the Throughput Infrastructure Fund.

319 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual
320 receipts to the fund.

321 (7) The board shall include in the annual written report described in Section 35A-1-
322 109:

323 (a) the number and type of loans and grants made under this section; and

324 (b) a list of local political subdivisions or interlocal agencies that received assistance
325 under this section.

326 (8) (a) The first throughput infrastructure project considered by the impact board shall
327 be a bulk commodities ocean terminal project.

328 (b) Upon receipt of an application from an interlocal agency created for the sole
329 purpose of undertaking a throughput infrastructure project that is a bulk commodities ocean
330 terminal project, the impact board shall:

331 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the interlocal
332 agency to pay or reimburse costs incurred by the interlocal agency preliminary to its
333 acquisition of the throughput infrastructure project; and

334 (ii) fund the interlocal agency's application if the application meets all criteria
335 established by the impact board.

336 Section 6. Section **59-10-1019** is amended to read:

337 **59-10-1019. Definitions – Nonrefundable retirement tax credits.**

338 (1) As used in this section:

339 (a) "Eligible age 65 or older retiree" means a claimant, regardless of whether that
340 claimant is retired, who:

341 (i) is 65 years of age or older; and

342 (ii) (A) for a taxable year beginning on or after January 1, 2008, but beginning on or
343 before December 31, 2021, was born on or before December 31, 1952; or

344 (B) for a taxable year beginning on or after January 1, 2022, was born on or before
345 December 31, 1962.

346 ~~[(b) (i) "Eligible retirement income" means income received by an eligible under age~~
347 ~~65 retiree as a pension or annuity if that pension or annuity is:]~~

348 ~~[(A) paid to the eligible under age 65 retiree or the surviving spouse of an eligible~~
349 ~~under age 65 retiree; and]~~

350 ~~[(B) (I) paid from an annuity contract purchased by an employer under a plan that~~
351 ~~meets the requirements of Section 404(a)(2), Internal Revenue Code;]~~

352 ~~[(II) purchased by an employee under a plan that meets the requirements of Section~~
353 ~~408, Internal Revenue Code; or]~~

354 ~~[(III) paid by:]~~

355 ~~[(Aa) the United States;]~~

356 ~~[(Bb) a state or a political subdivision of a state; or]~~

357 ~~[(Cc) the District of Columbia.]~~

358 ~~[(ii) "Eligible retirement income" does not include amounts received by the spouse of a~~
359 ~~living eligible under age 65 retiree because of the eligible under age 65 retiree's having been~~
360 ~~employed in a community property state.]~~

361 ~~[(e) "Eligible under age 65 retiree" means a claimant, regardless of whether that~~
362 ~~claimant is retired, who:]~~

363 ~~[(i) is younger than 65 years of age;]~~

364 ~~[(ii) was born on or before December 31, 1952; and]~~

365 ~~[(iii) has eligible retirement income for the taxable year for which a tax credit is~~
366 ~~claimed under this section.]~~

367 ~~[(d)] (b) "Head of household filing status" [is-as] means the same as that term is~~
368 ~~defined in Section 59-10-1018.~~

369 ~~[(e)] (c) "Joint filing status" [is-as] means the same as that term is defined in Section~~
370 ~~59-10-1018.~~

371 ~~[(f)] (d) "Married filing separately status" means a married individual who:~~

372 (i) does not file a single federal individual income tax return jointly with that married
373 individual's spouse for the taxable year; and

374 (ii) files a single federal individual income tax return for the taxable year.

375 ~~[(g)]~~ (e) "Modified adjusted gross income" means the sum of an eligible age 65 or
376 older retiree's ~~[or eligible under age 65 retiree's]:~~

377 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
378 this section;

379 (ii) any interest income that is not included in adjusted gross income for the taxable
380 year described in Subsection (1)~~[(g)]~~(e)(i); and

381 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
382 taxable year described in Subsection (1)~~[(g)]~~(e)(i).

383 ~~[(h)]~~ (f) "Single filing status" means a single individual who files a single federal
384 individual income tax return for the taxable year.

385 (2) Except as provided in Section 59-10-1002.2 and subject to Subsections (3) through
386 ~~[(5):]~~ (4), each eligible age 65 or older retiree may claim a nonrefundable tax credit of \$650
387 against taxes otherwise due under this part.

388 ~~[(a) each eligible age 65 or older retiree may claim a nonrefundable tax credit of \$450~~
389 ~~against taxes otherwise due under this part; or]~~

390 ~~[(b) each eligible under age 65 retiree may claim a nonrefundable tax credit against~~
391 ~~taxes otherwise due under this part in an amount equal to the lesser of:]~~

392 ~~[(i) \$288; or]~~

393 ~~[(ii) the product of:]~~

394 ~~[(A) the eligible under age 65 retiree's eligible retirement income for the taxable year~~
395 ~~for which the eligible under age 65 retiree claims a tax credit under this section; and]~~

396 ~~[(B) 6%.]~~

397 ~~[(3) A tax credit under this section may not be carried forward or carried back.]~~

398 (3) An eligible age 65 or older retiree may not carry forward or carry back a tax credit
399 under this section.

400 (4) The sum of the tax credits allowed by Subsection (2) claimed on one return filed
401 under this part shall be reduced by \$.025 for each dollar by which modified adjusted gross
402 income for purposes of the return exceeds:

403 (a) for a federal individual income tax return that is allowed a married filing separately
404 status, \$16,000;

405 (b) for a federal individual income tax return that is allowed a single filing status,
406 \$25,000;

407 (c) for a federal individual income tax return that is allowed a head of household filing
408 status, \$32,000; or

409 (d) for a return under this chapter that is allowed a joint filing status, \$32,000.

410 ~~[(5) For purposes of determining the ownership of items of retirement income under
411 this section, common law doctrine shall be applied in all cases even though some items of
412 retirement income may have originated from service or investments in a community property
413 state.]~~

414 (5) (a) On or before August 15, the commission shall:

415 (i) estimate the loss to the Education Fund during the previous fiscal year from the
416 difference between a \$650 tax credit for a retiree described in Subsection (1)(a)(ii)(B) and a
417 \$450 tax credit for a retiree described in Subsection (1)(a)(ii)(A); and

418 (ii) notify the Division of Finance of the amount described in Subsection (5)(a)(i).

419 (b) Within 10 days of receiving the notice from the commission, the Division of
420 Finance shall transfer from the Carbon Emissions Tax Expendable Revenue Fund created in
421 Section 59-30-301 into the Education Fund an amount equal to the amount in the notice.

422 Section 7. Section **59-10-1102.1** is enacted to read:

423 **59-10-1102.1. Apportionment of tax credit.**

424 A nonresident individual or a part-year resident individual who claims the tax credit
425 described in Section 59-10-1113 may only claim an apportioned amount of the tax credit equal
426 to the product of:

427 (1) the state income tax percentage for a nonresident individual or the state income tax
428 percentage for a part-year resident individual; and

429 (2) the amount of the tax credit that the nonresident individual or the part-year resident
430 individual would have been allowed to claim but for the apportionment requirement of this
431 section.

432 Section 8. Section **59-10-1113** is enacted to read:

433 **59-10-1113. Refundable state earned income tax credit -- Definitions -- Tax credit**
434 **calculation -- Transfers from Carbon Emissions Tax Expendable Revenue Fund.**

435 (1) As used in this section:

436 (a) "Federal earned income tax credit" means the federal earned income tax credit
437 described in Section 32, Internal Revenue Code.

438 (b) "Qualifying claimant" means a resident or nonresident individual who claimed the
439 federal earned income tax credit for the previous taxable year.

440 (2) Except as provided in Section 59-10-1102.1, a qualifying claimant may claim a
441 refundable earned income tax credit equal to 20% of the amount of the federal earned income
442 tax credit that the qualifying claimant was entitled to claim on a federal income tax return in
443 the previous taxable year.

444 (3) The Division of Finance shall transfer at least annually from the Carbon Emissions
445 Tax Expendable Revenue Fund created in Section 59-30-301 into the Education Fund an
446 amount equal to the amount of tax credit claimed under this section.

447 Section 9. Section **59-12-103** is amended to read:

448 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
449 **tax revenue.**

450 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
451 sales price for amounts paid or charged for the following transactions:

452 (a) retail sales of tangible personal property made within the state;

453 (b) amounts paid for:

454 (i) telecommunications service, other than mobile telecommunications service, that
455 originates and terminates within the boundaries of this state;

456 (ii) mobile telecommunications service that originates and terminates within the
457 boundaries of one state only to the extent permitted by the Mobile Telecommunications
458 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

459 (iii) an ancillary service associated with a:

460 (A) telecommunications service described in Subsection (1)(b)(i); or

461 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

462 (c) sales of the following for commercial use:

463 (i) gas;

464 (ii) electricity;

465 (iii) heat;

466 (iv) coal;

467 (v) fuel oil; or

- 468 (vi) other fuels;
- 469 (d) sales of the following for residential use:
- 470 (i) gas;
- 471 (ii) electricity;
- 472 (iii) heat;
- 473 (iv) coal;
- 474 (v) fuel oil; or
- 475 (vi) other fuels;
- 476 (e) sales of prepared food;
- 477 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 478 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 479 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 480 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed
- 481 circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf,
- 482 golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 483 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 484 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 485 exhibition, cultural, or athletic activity;
- 486 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 487 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 488 (i) the tangible personal property; and
- 489 (ii) parts used in the repairs or renovations of the tangible personal property described
- 490 in Subsection (1)(g)(i), regardless of whether:
- 491 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 492 property; or
- 493 (B) the particular parts used in the repairs or renovations of that tangible personal
- 494 property are exempt from a tax under this chapter;
- 495 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 496 assisted cleaning or washing of tangible personal property;
- 497 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 498 accommodations and services that are regularly rented for less than 30 consecutive days;
- 499 (j) amounts paid or charged for laundry or dry cleaning services;

500 (k) amounts paid or charged for leases or rentals of tangible personal property if within
501 this state the tangible personal property is:

502 (i) stored;

503 (ii) used; or

504 (iii) otherwise consumed;

505 (l) amounts paid or charged for tangible personal property if within this state the
506 tangible personal property is:

507 (i) stored;

508 (ii) used; or

509 (iii) consumed; and

510 (m) amounts paid or charged for a sale:

511 (i) (A) of a product transferred electronically; or

512 (B) of a repair or renovation of a product transferred electronically; and

513 (ii) regardless of whether the sale provides:

514 (A) a right of permanent use of the product; or

515 (B) a right to use the product that is less than a permanent use, including a right:

516 (I) for a definite or specified length of time; and

517 (II) that terminates upon the occurrence of a condition.

518 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
519 are imposed on a transaction described in Subsection (1) equal to the sum of:

520 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

521 [~~(A) (I) through March 31, 2019, 4.70%; and]~~

522 [~~(H) (A) [beginning on April 1, 2019,]~~ 4.70% plus the rate specified in Subsection

523 [~~(14)] (12)(a); and~~

524 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

525 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

526 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional

527 State Sales and Use Tax Act; and

528 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales

529 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

530 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state

531 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

532 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
533 transaction under this chapter other than this part.

534 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are
535 imposed on a transaction described in Subsection (1)(c) or (d) equal to the sum of:

536 ~~[(i) a state tax imposed on the transaction at a tax rate of 2%; and]~~

537 (i) (A) through December 31, 2021, a state tax imposed on a transaction described in
538 Subsection (1)(c) at the rate described in Subsection (2)(a)(i) and a transaction described in
539 Subsection (1)(d) at a rate of 2%; and

540 (B) beginning on January 1, 2022, a state tax imposed on the transaction at a tax rate of
541 0%; and

542 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
543 transaction under this chapter other than this part.

544 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are
545 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

546 (i) (A) through December 31, 2021, a state tax imposed on the amounts paid or
547 charged for food and food ingredients at a tax rate of 1.75%; and

548 (B) beginning on January 1, 2022, a state tax imposed on the amounts paid or charged
549 for food and food ingredients at a tax rate of 0%; and

550 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
551 amounts paid or charged for food and food ingredients under this chapter other than this part.

552 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
553 tangible personal property other than food and food ingredients, a state tax and a local tax is
554 imposed on the entire bundled transaction equal to the sum of:

555 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

556 (I) the tax rate described in Subsection (2)(a)(i)(A); and

557 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
558 Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-
559 211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
560 Additional State Sales and Use Tax Act; and

561 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
562 Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-

563 211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the
564 state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

565 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
566 described in Subsection (2)(a)(ii).

567 (ii) If an optional computer software maintenance contract is a bundled transaction that
568 consists of taxable and nontaxable products that are not separately itemized on an invoice or
569 similar billing document, the purchase of the optional computer software maintenance contract
570 is 40% taxable under this chapter and 60% nontaxable under this chapter.

571 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
572 transaction described in Subsection (2)(d)(i) or (ii):

573 (A) if the sales price of the bundled transaction is attributable to tangible personal
574 property, a product, or a service that is subject to taxation under this chapter and tangible
575 personal property, a product, or service that is not subject to taxation under this chapter, the
576 entire bundled transaction is subject to taxation under this chapter unless:

577 (I) the seller is able to identify by reasonable and verifiable standards the tangible
578 personal property, product, or service that is not subject to taxation under this chapter from the
579 books and records the seller keeps in the seller's regular course of business; or

580 (II) state or federal law provides otherwise; or

581 (B) if the sales price of a bundled transaction is attributable to two or more items of
582 tangible personal property, products, or services that are subject to taxation under this chapter
583 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
584 higher tax rate unless:

585 (I) the seller is able to identify by reasonable and verifiable standards the tangible
586 personal property, product, or service that is subject to taxation under this chapter at the lower
587 tax rate from the books and records the seller keeps in the seller's regular course of business; or

588 (II) state or federal law provides otherwise.

589 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
590 seller's regular course of business includes books and records the seller keeps in the regular
591 course of business for nontax purposes.

592 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
593 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
594 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental

595 of tangible personal property, other property, a product, or a service that is not subject to
596 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
597 the seller, at the time of the transaction:

598 (A) separately states the portion of the transaction that is not subject to taxation under
599 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

600 (B) is able to identify by reasonable and verifiable standards, from the books and
601 records the seller keeps in the seller's regular course of business, the portion of the transaction
602 that is not subject to taxation under this chapter.

603 (ii) A purchaser and a seller may correct the taxability of a transaction if:

604 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
605 the transaction that is not subject to taxation under this chapter was not separately stated on an
606 invoice, bill of sale, or similar document provided to the purchaser because of an error or
607 ignorance of the law; and

608 (B) the seller is able to identify by reasonable and verifiable standards, from the books
609 and records the seller keeps in the seller's regular course of business, the portion of the
610 transaction that is not subject to taxation under this chapter.

611 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
612 in the seller's regular course of business includes books and records the seller keeps in the
613 regular course of business for nontax purposes.

614 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
615 personal property, products, or services that are subject to taxation under this chapter at
616 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
617 unless the seller, at the time of the transaction:

618 (A) separately states the items subject to taxation under this chapter at each of the
619 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

620 (B) is able to identify by reasonable and verifiable standards the tangible personal
621 property, product, or service that is subject to taxation under this chapter at the lower tax rate
622 from the books and records the seller keeps in the seller's regular course of business.

623 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
624 seller's regular course of business includes books and records the seller keeps in the regular
625 course of business for nontax purposes.

626 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
627 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 628 (i) Subsection (2)(a)(i)(A);
- 629 (ii) Subsection (2)(b)(i);
- 630 (iii) Subsection (2)(c)(i); or
- 631 (iv) Subsection (2)(d)(i)(A)(I).

632 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
633 begins on or after the effective date of the tax rate increase if the billing period for the
634 transaction begins before the effective date of a tax rate increase imposed under:

- 635 (A) Subsection (2)(a)(i)(A);
- 636 (B) Subsection (2)(b)(i);
- 637 (C) Subsection (2)(c)(i); or
- 638 (D) Subsection (2)(d)(i)(A)(I).

639 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
640 statement for the billing period is rendered on or after the effective date of the repeal of the tax
641 or the tax rate decrease imposed under:

- 642 (A) Subsection (2)(a)(i)(A);
- 643 (B) Subsection (2)(b)(i);
- 644 (C) Subsection (2)(c)(i); or
- 645 (D) Subsection (2)(d)(i)(A)(I).

646 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
647 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
648 change in a tax rate takes effect:

- 649 (A) on the first day of a calendar quarter; and
- 650 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

651 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

- 652 (A) Subsection (2)(a)(i)(A);
- 653 (B) Subsection (2)(b)(i);
- 654 (C) Subsection (2)(c)(i); or
- 655 (D) Subsection (2)(d)(i)(A)(I).

656 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
657 the commission may by rule define the term "catalogue sale."

658 ~~[(3)(a) The following state taxes shall be deposited into the General Fund:]~~
659 (3) (a) The Division of Finance shall deposit the following state taxes into the General
660 Fund:

- 661 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 662 (ii) the tax imposed by Subsection (2)(b)(i);
- 663 (iii) the tax imposed by Subsection (2)(c)(i); ~~[øf]~~
- 664 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I)~~[-]~~; and
- 665 (v) the amount described in Subsection 59-30-301(5)(b)(i).

666 (b) ~~The [following local taxes shall be distributed]~~ commission shall distribute the
667 following local taxes to a county, city, or town as provided in this chapter:

- 668 (i) the tax imposed by Subsection (2)(a)(ii);
- 669 (ii) the tax imposed by Subsection (2)(b)(ii);
- 670 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 671 (iv) the tax imposed by Subsection (2)(d)(i)(B).

672 (c) For purposes of this section, the amount described in Subsection (3)(a)(v) shall be
673 considered revenue from a sales and use tax imposed on items described in Subsection (1).

674 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
675 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
676 through (g):

- 677 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - 678 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - 679 (B) for the fiscal year; or
- 680 (ii) \$17,500,000.

681 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
682 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
683 Department of Natural Resources to:

- 684 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
685 protect sensitive plant and animal species; or
- 686 (B) award grants, up to the amount authorized by the Legislature in an appropriations
687 act, to political subdivisions of the state to implement the measures described in Subsections
688 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

689 (ii) Money transferred to the Department of Natural Resources under Subsection
690 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
691 person to list or attempt to have listed a species as threatened or endangered under the
692 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

693 (iii) At the end of each fiscal year:

694 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
695 Conservation and Development Fund created in Section 73-10-24;

696 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
697 Program Subaccount created in Section 73-10c-5; and

698 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
699 Program Subaccount created in Section 73-10c-5.

700 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
701 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
702 created in Section 4-18-106.

703 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
704 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
705 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
706 water rights.

707 (ii) At the end of each fiscal year:

708 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
709 Conservation and Development Fund created in Section 73-10-24;

710 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
711 Program Subaccount created in Section 73-10c-5; and

712 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
713 Program Subaccount created in Section 73-10c-5.

714 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
715 described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
716 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

717 (ii) In addition to the uses allowed of the Water Resources Conservation and
718 Development Fund under Section 73-10-24, the Water Resources Conservation and
719 Development Fund may also be used to:

720 (A) conduct hydrologic and geotechnical investigations by the Division of Water
721 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
722 quantifying surface and ground water resources and describing the hydrologic systems of an
723 area in sufficient detail so as to enable local and state resource managers to plan for and
724 accommodate growth in water use without jeopardizing the resource;

725 (B) fund state required dam safety improvements; and

726 (C) protect the state's interest in interstate water compact allocations, including the
727 hiring of technical and legal staff.

728 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
729 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
730 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

731 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
732 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
733 created in Section 73-10c-5 for use by the Division of Drinking Water to:

734 (i) provide for the installation and repair of collection, treatment, storage, and
735 distribution facilities for any public water system, as defined in Section 19-4-102;

736 (ii) develop underground sources of water, including springs and wells; and

737 (iii) develop surface water sources.

738 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
739 2006, the difference between the following amounts shall be expended as provided in this
740 Subsection (5), if that difference is greater than \$1:

741 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
742 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

743 (ii) \$17,500,000.

744 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

745 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
746 credits; and

747 (B) expended by the Department of Natural Resources for watershed rehabilitation or
748 restoration.

749 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
750 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
751 created in Section 73-10-24.

752 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
753 remaining difference described in Subsection (5)(a) shall be:

754 (A) transferred each fiscal year to the Division of Water Resources as dedicated
755 credits; and

756 (B) expended by the Division of Water Resources for cloud-seeding projects
757 authorized by Title 73, Chapter 15, Modification of Weather.

758 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
759 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
760 created in Section 73-10-24.

761 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
762 remaining difference described in Subsection (5)(a) shall be deposited into the Water
763 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
764 Division of Water Resources for:

765 (i) preconstruction costs:

766 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
767 26, Bear River Development Act; and

768 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
769 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

770 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
771 73, Chapter 26, Bear River Development Act;

772 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
773 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

774 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
775 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

776 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
777 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
778 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
779 incurred for employing additional technical staff for the administration of water rights.

780 (f) At the end of each fiscal year, any unexpended dedicated credits described in
781 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
782 Fund created in Section 73-10-24.

783 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
784 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
785 (1) for the fiscal year shall be deposited as follows:

786 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
787 shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-
788 124;

789 (b) for fiscal year 2017-18 only:

790 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
791 Transportation Investment Fund of 2005 created by Section 72-2-124; and

792 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
793 Water Infrastructure Restricted Account created by Section 73-10g-103;

794 (c) for fiscal year 2018-19 only:

795 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
796 Transportation Investment Fund of 2005 created by Section 72-2-124; and

797 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
798 Water Infrastructure Restricted Account created by Section 73-10g-103;

799 (d) for fiscal year 2019-20 only:

800 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
801 Transportation Investment Fund of 2005 created by Section 72-2-124; and

802 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
803 Water Infrastructure Restricted Account created by Section 73-10g-103;

804 (e) for fiscal year 2020-21 only:

805 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
806 Transportation Investment Fund of 2005 created by Section 72-2-124; and

807 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
808 Water Infrastructure Restricted Account created by Section 73-10g-103; and

809 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
810 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
811 created by Section 73-10g-103.

812 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
813 Subsection (6), and subject to Subsection (7)(b)(d), [~~for a fiscal year beginning on or after~~
814 ~~July 1, 2012~~] for each fiscal year, the Division of Finance shall deposit into the Transportation

815 Investment Fund of 2005 created by Section 72-2-124[;] the amounts described in Subsections
816 (7)(b) and (c).

817 [(+) (b) The Division of Finance shall deposit a portion of the taxes listed under
818 Subsection (3)(a) in an amount equal to 8.3% of the [revenues] revenue collected from the
819 following taxes, which represents a portion of the approximately 17% of sales and use tax
820 [revenues generated annually by the sales and use tax on vehicles and vehicle-related products]
821 revenue that the sales and use tax on vehicles and vehicle-related products generates:

822 [(A)] (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

823 [(B) the tax imposed by Subsection (2)(b)(i);]

824 [(C) the tax imposed by Subsection (2)(c)(i); and]

825 [(D)] (ii) the tax imposed by Subsection (2)(d)(i)(A)(I); [plus] and

826 [(ii) an amount equal to 30% of the growth in the amount of revenues collected in the
827 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
828 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
829 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.]

830 (iii) the amount described in Subsection 59-30-301(5)(b)(i).

831 (c) (i) Subject to Subsections (7)(c)(ii) and (iii), the Division of Finance shall deposit
832 an amount equal to 30% of the growth in the amount of revenue calculated by subtracting the
833 amount of sale and use taxes collected in the current fiscal year from the amount of the sales
834 and use taxes collected in the 2010-11 fiscal year.

835 (ii) The amount of sales and use taxes collected in the current fiscal year equals the
836 sum of the amounts described in Subsections (7)(b)(i) through (iii).

837 (iii) The amount of sales and use taxes collected in the 2010-11 fiscal year equals the
838 sum of the sales and use taxes imposed by and collected under:

839 (A) Subsection (2)(a)(i)(A);

840 (B) Subsection (2)(b)(i);

841 (C) Subsection (2)(c)(i); and

842 (D) Subsection (2)(d)(i)(A)(I).

843 [(b)] (d) (i) Subject to Subsections (7)[(b)](d)(ii) and (iii), in any fiscal year that the
844 portion of the sales and use taxes deposited under Subsection (7)(a) represents an amount that
845 is a total lower percentage of the sales and use taxes described in Subsections [(7)(a)(i)(A)
846 through (D)] (7)(b)(i) through (iii) generated in the current fiscal year than the total percentage

847 of sales and use taxes deposited in the previous fiscal year, the Division of Finance shall
848 deposit an amount under Subsection (7)(a) equal to the product of:

849 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
850 previous fiscal year; and

851 (B) the total sales and use tax revenue generated by the taxes described in Subsections
852 ~~[(7)(a)(i)(A) through (D)]~~ (7)(b)(i) through (iii) in the current fiscal year.

853 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
854 Subsection (7)(a) would exceed 17% of the ~~[revenues]~~ revenue collected from the sales and use
855 taxes described in Subsections ~~[(7)(a)(i)(A) through (D)]~~ (7)(b)(i) through (iii) in the current
856 fiscal year, the Division of Finance shall deposit 17% of the ~~[revenues]~~ revenue collected from
857 the sales and use taxes described in Subsections ~~[(7)(a)(i)(A) through (D)]~~ (7)(b)(i) through
858 (iii) for the current fiscal year under Subsection (7)(a).

859 ~~[(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected~~
860 ~~from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited~~
861 ~~under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues~~
862 ~~collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the~~
863 ~~current fiscal year under Subsection (7)(a).]~~

864 (iii) In all subsequent fiscal years after the year in which the Division of Finance
865 deposits, under Subsection (7)(a), 17% of the revenue collected from the sales and use taxes
866 described in Subsections (7)(b)(i) through (iii), the Division of Finance shall deposit annually
867 17% of the revenue collected from the sales and use taxes described in Subsections (7)(b)(i)
868 through (iii) in the current fiscal year under Subsection (7)(a).

869 ~~[(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~
870 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~
871 ~~deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into~~
872 ~~the Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

873 ~~[(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~
874 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~
875 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~
876 ~~Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

877 ~~[(e)(i)]~~ (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited
878 under Subsections (6) and (7), and subject to Subsection (8)~~[(e)(i)](b)~~, for a fiscal year

879 beginning on or after July 1, ~~[2018]~~ 2021, the commission shall ~~[annually]~~ deposit annually
880 into the Transportation Investment Fund of 2005 created by Section 72-2-124 ~~[a portion of the~~
881 ~~taxes listed under Subsection (3)(a) in]~~ an amount equal to 3.68% of ~~[the revenues collected~~
882 ~~from the following taxes]:~~

883 ~~[(A) the]~~ (i) the revenue collected by the tax imposed by Subsection (2)(a)(i)(A) at a
884 4.7% rate;

885 ~~[(B) the tax imposed by Subsection (2)(b)(i);]~~

886 ~~[(C) the tax imposed by Subsection (2)(c)(i); and]~~

887 ~~[(D) the]~~ (ii) the revenue collected by the tax imposed by Subsection (2)(d)(i)(A)(I)[;
888 and

889 (iii) the amount described in Subsection 59-30-301(5)(b)(i).

890 ~~[(ii)]~~ (b) For a fiscal year beginning on or after July 1, 2019, the commission shall
891 ~~[annually]~~ reduce annually the deposit into the Transportation Investment Fund of 2005 under
892 Subsection (8)(c)~~[(i)]~~ by an amount that is equal to 35% of the amount of revenue generated in
893 the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold,
894 used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

895 ~~[(iii)]~~ (c) The commission shall ~~[annually]~~ deposit annually the amount described in
896 Subsection (8)~~[(e)(i)]~~(b) into the Transit Transportation Investment Fund created in Section
897 72-2-124.

898 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
899 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
900 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

901 ~~[(10)(a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(e),~~
902 ~~in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17~~
903 ~~fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund~~
904 ~~of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on~~
905 ~~the transactions described in Subsection (1).]~~

906 ~~[(b)]~~ (10)(a) Notwithstanding Subsection (3)(a), except as provided in Subsection
907 ~~(10)~~[(e)]~~(b)~~, and in addition to any amounts deposited under Subsections (6), (7), and (8), the
908 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by
909 Section 72-2-124 the amount of revenue described as follows:

910 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
911 tax rate on the transactions described in Subsection (1);

912 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
913 tax rate on the transactions described in Subsection (1);

914 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
915 tax rate on the transactions described in Subsection (1);

916 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
917 .05% tax rate on the transactions described in Subsection (1); and

918 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
919 tax rate on the transactions described in Subsection (1).

920 ~~[(e)]~~ (b) For purposes of ~~[Subsections (10)(a) and (b)]~~ Subsection (10)(a), the Division
921 of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue
922 generated by amounts paid or charged for food and food ingredients, except for tax revenue
923 generated by a bundled transaction attributable to food and food ingredients and tangible
924 personal property other than food and food ingredients described in Subsection (2)(d).

925 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
926 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
927 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
928 Finance shall, for two consecutive fiscal years, ~~[annually]~~ deposit annually \$1,900,000 of the
929 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation
930 Fund, created in Section 63N-2-512.

931 ~~[(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~
932 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~
933 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-~~
934 ~~308.]~~

935 ~~[(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~
936 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~
937 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.]~~

938 ~~[(13)]~~ (12) (a) The rate specified in this subsection is 0.15%.

939 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall ~~[: (i) on or before~~
940 ~~September 30, 2019, transfer the amount of revenue collected from the rate described in~~
941 ~~Subsection 14(a) beginning on April 1, 2019, and ending on June 30, 2019, on the transactions~~

942 ~~that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid~~
943 ~~Expansion Fund created in Section 26-36b-208; and (ii)]~~ for a fiscal year beginning on or after
944 July 1, 2019, annually transfer the amount of revenue collected from the rate described in
945 Subsection [(43)]12(a) on the transactions that are subject to the sales and use tax under
946 Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26-36b-208.

947 (13) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July
948 1, 2021, the Division of Finance shall deposit annually into the Carbon Emissions Expendable
949 Revenue Fund, created in Section 59-30-301, a portion of the taxes described in Subsection
950 (3)(a) in an amount equal to 95% of the lesser of:

951 (i) the total amount the Division of Finance is required to deposit into the
952 Transportation Investment Fund of 2005 under Subsections (7), (8), and (10); and

953 (ii) the revenue the Division of Finance deposits into the Transportation Investment
954 Fund of 2005 under Sections 59-30-201 and 59-30-202.

955 (b) Notwithstanding Subsections (7), (8), and (10), the Division of Finance shall
956 reduce the deposits into the Transportation Investment Fund of 2005 required under
957 Subsections (7), (8), and (10) in an amount equal to the deposit described in Subsection
958 (13)(a).

959 Section 10. Section **59-30-101** is enacted to read:

960 **CHAPTER 30. CARBON EMISSIONS TAX ACT**

961 **Part 1. General Provisions**

962 **59-30-101. Title.**

963 This chapter is known as "Carbon Emissions Tax Act."

964 Section 11. Section **59-30-102** is enacted to read:

965 **59-30-102. Definitions.**

966 As used in this chapter:

967 (1) "Aviation fuel" means the same as that term is defined in Section 59-13-102.

968 (2) "Consumer Price Index" means the Consumer Price Index for All Urban

969 Consumers as published by the Bureau of Labor Statistics of the United States Department of
970 Labor.

971 (3) "Distributor" means the same as that term is defined in Section 59-13-102.

972 (4) "Dyed diesel fuel" means the same as that term is defined in Section 59-13-102.

973 (5) "Electricity" means electrical energy for consumption.

974 (6) "Electricity provider" means a person in this state that delivers electricity to
975 customers for consumption.

976 (7) "Facility" means any physical property, plant, building, structure, source, or
977 stationary equipment located on one or more contiguous or adjacent properties in actual
978 physical contact or separated solely by a public roadway or other public right of way and under
979 common ownership or common control, that emits or may emit any greenhouse gas.

980 (8) "Federally certificated air carrier" means the same as that term is defined in Section
981 59-13-102.

982 (9) "Fossil fuel" means a petroleum product, motor fuel, special fuel, aviation fuel,
983 natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from these
984 products, including still gas, propane, and petroleum residuals.

985 (10) "Industrial use" means the same as that term is defined in Section 59-12-102,
986 except that industrial use also includes pipeline transportation at an establishment described in
987 a NAICS code within NAICS Subsector 486, Pipeline Transportation, of the 2017 North
988 American Industry Classification System of the federal Executive Office of the President,
989 Office of Management and Budget.

990 (11) (a) "Large emitter" means a facility that emits a combined total of over 10,000
991 metric tons of carbon dioxide in a calendar year from combustion of coal, dyed diesel fuel, or
992 fuel gas.

993 (b) "Large emitter" does not include an electricity provider, a person that provides
994 electricity to an electricity provider to deliver for consumption, or a person that generates
995 electricity.

996 (12) "Metric ton" means 2,205 pounds.

997 (13) "Motor fuel" means the same as that term is defined in Section 59-13-102.

998 (14) "Natural gas" means the same as that term is defined in Section 59-5-101.

999 (15) "Operator" means a person engaged in the operation of a large emitter in this state.

1000 (16) "Political subdivision" means the same as that term is defined in Section 11-55-
1001 102.

1002 (17) "Removal" means the same as that term is defined in Section 59-13-102.

1003 (18) "Special fuel" means the same as that term is defined in Section 59-13-102, except
1004 that special fuel does not include natural gas.

1005 (19) "Supplier" means the same as that term is defined in Section 59-13-102.

1006 (20) "Terminal" means the same as that term is defined in Section 59-13-102.

1007 (21) "Undyed diesel fuel" means the same as that term is defined in Section 59-13-102.

1008 Section 12. Section **59-30-103** is enacted to read:

1009 **59-30-103. Records.**

1010 (1) A taxpayer under this chapter shall maintain records, statements, books, or
1011 accounts:

1012 (a) necessary to determine the amount of carbon emissions tax for which the taxpayer
1013 is liable to pay under this chapter; and

1014 (b) for the time period during which an assessment may be made under Section 59-1-
1015 1408.

1016 (2) The commission may require a taxpayer, by notice served upon the taxpayer, to
1017 make or keep the records, statements, books, or accounts described in Subsection (1) in a
1018 manner in which the commission considers sufficient to show the amount of carbon emissions
1019 tax for which the taxpayer is liable to pay under this chapter.

1020 (3) After notice by the commission, the taxpayer shall open the records, statements,
1021 books, or accounts specified in this section for examination by the commission or an
1022 authorized agent of the commission.

1023 Section 13. Section **59-30-104** is enacted to read:

1024 **59-30-104. Amended return for large emitter or electricity provider.**

1025 (1) (a) An operator of a large emitter shall file an amended return for a tax due under
1026 this chapter if:

1027 (i) the large emitter determines or becomes aware of an error in the written
1028 certification obtained in accordance with Section 19-1-207; and

1029 (ii) the error in the written certification resulted in:

1030 (A) an overpayment of tax for which the large emitter requests a refund; or

1031 (B) an underpayment of tax.

1032 (b) An operator that files an amended return due to an underpayment of tax shall remit
1033 the tax due with the amended return.

1034 (2) (a) An electricity provider shall file an amended return for a tax due under this
1035 chapter if:

1036 (i) the electricity provider determines or becomes aware of an error in the written
1037 certification obtained in accordance with Section 19-1-208; and

1038 (ii) the error in the written certification resulted in:
1039 (A) an overpayment of tax for which the electricity provider requests a refund; or
1040 (B) an underpayment of tax.
1041 (b) An electricity provider that files an amended return due to an underpayment of tax
1042 shall remit the tax due with the amended return.

1043 Section 14. Section **59-30-201** is enacted to read:

1044 **Part 2. Imposition of Carbon Emissions Tax**

1045 **59-30-201. Imposition of a carbon emissions tax on motor fuel.**

1046 (1) (a) Except as otherwise provided in this section or this chapter, a distributor shall
1047 pay, beginning on January 1, 2022, a carbon emissions tax on motor fuel that is sold, used, or
1048 received for sale or use in this state.

1049 (b) Subject to Subsection (1)(c), the rate of the tax imposed in this section is as
1050 follows:

1051 (i) beginning on January 1, 2022, and ending on December 31, 2022, at a rate of 10.67
1052 cents per gallon; and

1053 (ii) beginning on January 1, 2023, and thereafter, at a rate determined by increasing the
1054 rate effective January 1 of the previous year:

1055 (A) by 3.5% plus a percentage equal to the greater of the actual percent change during
1056 the previous fiscal year in the Consumer Price Index and 0; and

1057 (B) up to the nearest 100th of a cent.

1058 (c) (i) Subject to Subsection (1)(c)(ii), the tax rate described in this Subsection (1) may
1059 not exceed 88.9 cents.

1060 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1061 maximum tax rate described in Subsection (1)(c)(i) by adding to the maximum tax rate an
1062 amount equal to the greater of:

1063 (A) the amount calculated by multiplying the maximum tax rate for the previous
1064 calendar year by the actual percent change during the previous fiscal year in the Consumer
1065 Price Index; and

1066 (B) 0.

1067 (d) Any increase in the tax rate applies to motor fuel that is imported into the state for
1068 sale or use in this state or sold at refineries in the state on or after the effective date of the rate
1069 change.

1070 (2) A carbon emissions tax is not imposed under this section on:

1071 (a) motor fuel that is brought into and sold in this state in original packages as purely
1072 interstate commerce sales;

1073 (b) motor fuel that is exported from this state if proof of actual exportation on forms
1074 prescribed by the commission is made within 180 days after exportation;

1075 (c) motor fuel or a component of motor fuel that is sold and used in this state and
1076 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in
1077 this state; or

1078 (d) motor fuel that is sold to the United States government, this state, or a political
1079 subdivision of this state.

1080 (3) A distributor shall monthly:

1081 (a) report to the commission, on electronic forms provided by the commission, the
1082 amount and type of motor fuel sold, used, or received for sale or use in this state; and

1083 (b) pay to the commission the carbon emissions tax imposed under this section.

1084 (4) The commission either may collect no carbon emissions tax on motor fuel exported
1085 from the state or, upon application, refund the carbon emissions tax paid under this section.

1086 (5) (a) (i) The commission shall deposit daily the revenue that the commission collects
1087 under this section with the state treasurer.

1088 (ii) The state treasurer shall credit the revenue deposited in accordance with Subsection
1089 (5)(a)(i) to the Transportation Investment Fund of 2005 created in Section 72-2-124.

1090 (b) The Legislature shall appropriate from the Transportation Investment Fund of 2005
1091 created in Section 72-2-124 to the commission the amount necessary to cover expenses
1092 incurred in the administration and enforcement of this section and the collection of the carbon
1093 emissions tax on motor fuel.

1094 (6) The refund, credit, administrative, and penalty provisions of Chapter 13, Part 2,
1095 Motor Fuel, apply to a carbon emissions tax imposed on motor fuel under this section.

1096 (7) The commission shall apply cooperative agreements under Chapter 13, Part 5,
1097 Interstate Agreements, to the carbon emissions tax imposed under this section.

1098 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1099 commission may make rules governing the procedures for administering and collecting the
1100 carbon emissions tax imposed under this section.

1101 Section 15. Section **59-30-202** is enacted to read:

1102 **59-30-202. Imposition of carbon emissions tax on special fuel.**

1103 (1) (a) Except as otherwise provided in this section or this chapter, a supplier of special
1104 fuel in this state shall pay, beginning on January 1, 2022, a carbon emissions tax on the:

1105 (i) removal of undyed diesel fuel from a refinery;

1106 (ii) removal of undyed diesel fuel from a terminal;

1107 (iii) entry into the state of undyed diesel fuel for consumption, use, sale, or

1108 warehousing;

1109 (iv) sale of undyed diesel fuel to any person that is not registered as a supplier under

1110 Chapter 13, Part 3, Special Fuel, unless the tax had been collected under this section;

1111 (v) untaxed special fuel blended with undyed diesel fuel; or

1112 (vi) use of untaxed special fuel other than propane or electricity.

1113 (b) Subject to Subsection (1)(c), the rate of the tax imposed in this section is as

1114 follows:

1115 (i) beginning on January 1, 2022, and ending on December 31, 2022, 12.19 cents per

1116 gallon; and

1117 (ii) beginning on January 1, 2023, and thereafter, the rate determined by increasing the

1118 rate effective January 1 of the previous year:

1119 (A) by 3.5% plus a percentage equal to the greater of the actual percent change during

1120 the previous fiscal year in the Consumer Price Index and 0; and

1121 (B) up to the nearest 100th of a cent.

1122 (c) (i) Subject to Subsection (1)(c)(ii), the tax rate described in this Subsection (1) may

1123 not exceed \$1.02 per gallon.

1124 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the

1125 maximum tax rate described in Subsection (1)(c)(i) by adding to the maximum tax rate an

1126 amount equal to the greater of:

1127 (A) the amount calculated by multiplying the maximum tax rate for the previous

1128 calendar year by the actual percent change during the previous fiscal year in the Consumer

1129 Price Index; and

1130 (B) 0.

1131 (d) The tax imposed under this section shall be imposed only once upon a special fuel.

1132 (2) (a) A carbon emissions tax may not be imposed or collected under this section on

1133 dyed diesel fuel.

1134 (b) A carbon emissions tax may not be imposed under this section on undyed diesel
1135 fuel or clean fuel that is:

1136 (i) sold to the United States government or any of the United States government's
1137 instrumentalities, this state, or a political subdivision of this state;

1138 (ii) exported from this state if proof of actual exportation on forms prescribed by the
1139 commission is made within 180 days after exportation;

1140 (iii) except as provided in Section 59-30-205, used in a vehicle off highway;

1141 (iv) used to operate a power take-off unit of a vehicle;

1142 (v) used for off-highway agricultural uses;

1143 (vi) used in a separately fueled engine on a vehicle that does not propel the vehicle
1144 upon the highways of the state; or

1145 (vii) used in machinery and equipment not registered and not required to be registered
1146 for highway use.

1147 (c) A carbon emissions tax may not be imposed or collected under this section on
1148 special fuel if the special fuel is:

1149 (i) (A) purchased for business use in machinery and equipment not registered and not
1150 required to be registered for highway use; and

1151 (B) used pursuant to the conditions of a state implementation plan approved under
1152 Title 19, Chapter 2, Air Conservation Act; or

1153 (ii) propane or electricity.

1154 (3) A supplier in this state shall monthly:

1155 (a) report to the commission, on electronic forms provided by the commission, the
1156 amount and type of special fuel:

1157 (i) removed from a refinery;

1158 (ii) removed from a terminal;

1159 (iii) that enters into the state for consumption, use, sale, or warehousing;

1160 (iv) sold to any person that is not registered as a supplier under Chapter 13, Part 3,
1161 Special Fuel, unless the carbon emissions tax has been collected under this chapter;

1162 (v) blended with undyed diesel fuel and previously untaxed as special fuel; or

1163 (vi) other than propane or electricity, used in this state; and

1164 (b) pay to the commission the carbon emissions tax imposed under this section.

1165 (4) The commission either may collect no carbon emissions tax on special fuel
1166 exported from the state or, upon application, refund the carbon emissions tax paid under this
1167 section.

1168 (5) (a) (i) The commission shall deposit daily the revenue that the commission collects
1169 under this section with the state treasurer.

1170 (ii) The state treasurer shall credit the revenue deposited in accordance with Subsection
1171 (5)(a)(i) to the Transportation Investment Fund of 2005 created in Section 72-2-124.

1172 (b) The Legislature shall appropriate from the Transportation Investment Fund of 2005
1173 created in Section 72-2-124 to the commission an amount necessary to cover the expenses
1174 incurred in the administration and enforcement of this section and the collection of the carbon
1175 emissions tax under this section.

1176 (6) The refund, credit, administrative, and penalty provisions of Chapter 13, Part 3,
1177 Special Fuel, apply to a carbon emissions tax imposed under this section.

1178 (7) The commission shall apply cooperative agreements under Chapter 13, Part 5,
1179 Interstate Agreements, to the carbon emissions tax imposed under this section.

1180 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1181 commission may make rules governing the procedures for administering and collecting the
1182 carbon emissions tax imposed under this section.

1183 Section 16. Section **59-30-203** is enacted to read:

1184 **59-30-203. Imposition of carbon emissions tax on aviation fuel.**

1185 (1) (a) Except as otherwise provided in this section or this chapter, a person that is
1186 required to pay an aviation fuel tax under Chapter 13, Part 4, Aviation Fuel, shall pay,
1187 beginning on January 1, 2022, a carbon emissions tax on aviation fuel that is sold, used, or
1188 received for sale or use in this state.

1189 (b) Subject to Subsection (1)(c), the rate of the tax imposed in this section is as
1190 follows:

1191 (i) beginning on January 1, 2022, and ending on December 31, 2022, 11.48 cents per
1192 gallon; and

1193 (ii) beginning on January 1, 2023, and thereafter, the rate determined by increasing the
1194 rate effective January 1 of the previous year:

1195 (A) by 3.5% plus a percentage equal to the greater of the actual percent change during
1196 the previous fiscal year in the Consumer Price Index and 0; and

1197 (B) up to the nearest 100th of a cent.

1198 (c) (i) Subject to Subsection (1)(c)(ii), the tax rate described in this Subsection (1) may
1199 not exceed 95.7 cents per gallon.

1200 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1201 maximum tax rate described in Subsection (1)(c)(i) by adding to the maximum tax rate an
1202 amount equal to the greater of:

1203 (A) the amount calculated by multiplying the maximum tax rate for the previous
1204 calendar year by the actual percent change during the previous fiscal year in the Consumer
1205 Price Index; and

1206 (B) 0.

1207 (2) A person described in Subsection (1)(a) shall monthly:

1208 (a) report to the commission, on electronic forms provided by the commission:

1209 (i) the amount of aviation fuel that was purchased;

1210 (ii) the total number of gallons of aviation fuel that were purchased;

1211 (iii) for purchases by a federally certificated air carrier, the number of gallons of
1212 aviation fuel purchased by the airport at which the federally certificated air carrier purchased
1213 the aviation fuel; and

1214 (iv) for purchases by a person that is not a federally certificated air carrier the number
1215 of gallons of aviation fuel purchased by the airport at which the person that is not a federally
1216 certificated air carrier purchased the aviation fuel; and

1217 (b) pay to the commission the carbon emissions tax imposed under this section.

1218 (3) (a) (i) The commission shall deposit daily the revenue that the commission collects
1219 under this section with the state treasurer.

1220 (ii) The state treasurer shall deposit the revenue received in accordance with
1221 Subsection (3)(a)(i) into the Transportation Fund.

1222 (b) The Legislature shall appropriate from the Transportation Fund to the commission
1223 the amount necessary to cover expenses incurred in the administration and enforcement of this
1224 section and the collection of the aviation fuel tax.

1225 (c) The Transportation Fund shall fund any refund to which a taxpayer is entitled under
1226 this section.

1227 (4) The state treasurer shall place an amount equal to the total amount received from
1228 the carbon emissions tax on the sale or use of aviation fuel in the Aeronautics Restricted
1229 Account created by Section 72-2-126.

1230 (5) (a) The tax imposed under Subsection (1) shall be allocated as provided in Section
1231 59-13-402.

1232 (b) Upon appropriation by the Legislature, the allocation to aeronautical operations of
1233 the Department of Transportation shall be used as provided in the Aeronautics Restricted
1234 Account created by Section 72-2-126.

1235 (6) (a) The commission shall require reports and returns from distributors, retail
1236 dealers, and users to enable the commission and the Department of Transportation to allocate
1237 the revenue in accordance with Section 59-13-402 to be credited to:

1238 (i) the Aeronautics Restricted Account created by Section 72-2-126; and

1239 (ii) the separate accounts of individual airports.

1240 (b) (i) Except as provided by Subsection (6)(b)(ii), any unexpended amount remaining
1241 in the account of any publicly used airport on the first day of January, April, July, and October
1242 shall be paid to the authority operating the airport.

1243 (ii) Carbon emissions tax allocated to an airport owned and operated by a city of the
1244 first class shall be paid to the city treasurer on the first day of each month.

1245 (c) The state treasurer shall deposit carbon emissions tax collected on fuel sold at
1246 places other than publicly used airports in the Aeronautics Restricted Account created by
1247 Section 72-2-126.

1248 (7) The refund, credit, administrative, and penalty provisions of Chapter 13, Part 4,
1249 Aviation Fuel, apply to a carbon emissions tax imposed under this section.

1250 Section 17. Section **59-30-204** is enacted to read:

1251 **59-30-204. Imposition of carbon emissions tax on natural gas.**

1252 (1) As used in this section:

1253 (a) "Natural gas supplier" means a person supplying natural gas to a purchaser.

1254 (b) "Purchaser" means a person in this state that buys natural gas for consumption.

1255 (2) (a) Subject to other provisions of this section and chapter, a purchaser in this state
1256 shall pay, beginning on January 1, 2022, a carbon emissions tax on natural gas purchases.

1257 (b) A purchaser shall pay the tax imposed under this Subsection (2) to the natural gas
1258 supplier at the time the purchaser buys the natural gas.

1259 (3) (a) Subject to Subsections (3)(b) and (3)(c), the rate of the tax imposed in this
1260 section is as follows:

1261 (i) beginning on January 1, 2022, and ending on December 31, 2022, 63.74 cents per
1262 1,000 cubic feet; and

1263 (ii) beginning on January 1, 2023, and thereafter, the rate determined by increasing the
1264 rate effective January 1 of the previous year:

1265 (A) by 3.5% plus a percentage equal to the greater of the actual percent change during
1266 the previous fiscal year in the Consumer Price Index and 0; and

1267 (B) up to the nearest 100th of a cent.

1268 (b) (i) Subject to Subsection (3)(b)(ii), the tax rate described in this Subsection (3) may
1269 not exceed \$5.31 per 1,000 cubic feet.

1270 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1271 maximum tax rate described in Subsection (3)(b)(i) by adding to the maximum tax rate an
1272 amount equal to the greater of:

1273 (A) the amount calculated by multiplying the maximum tax rate for the previous
1274 calendar year by the actual percent change during the previous fiscal year in the Consumer
1275 Price Index; and

1276 (B) 0.

1277 (c) (i) The tax rate for industrial use shall be 10% of the rate specified in Subsection
1278 (3)(a).

1279 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1280 percentage amount in Subsection (3)(c)(i) by adjusting it to the lesser of:

1281 (i) five percentage points more than the percentage amount for the previous year; and

1282 (ii) 50%.

1283 (d) Any increase in the tax rate applies to natural gas that is provided to a purchaser on
1284 or after the effective date of the rate change.

1285 (4) A natural gas supplier shall monthly:

1286 (a) report to the commission, on electronic forms provided by the commission, the
1287 number of cubic feet of natural gas sold to a purchaser in this state; and

1288 (b) remit to the commission the carbon emissions tax paid under this section.

1289 (5) The commission shall deposit the carbon emissions tax that the commission
1290 collects under this section into the Carbon Emissions Tax Expendable Revenue Fund, created
1291 in Section 59-30-301.

1292 (6) (a) The following purchasers may file for a refund from the commission of carbon
1293 emissions tax paid under this section:

1294 (i) the United States government or any of the United States government's
1295 instrumentalities;

1296 (ii) this state or the state's political subdivisions; or

1297 (iii) electricity providers for natural gas purchases that are also subject to a tax under
1298 Section 59-30-206.

1299 (b) A purchaser described in Subsection (6)(a) may file a request for a refund quarterly
1300 in a manner provided for by the commission.

1301 (c) The Carbon Emissions Tax Expendable Revenue Fund, created in Section 59-30-
1302 301, shall fund any refund to which a purchaser is entitled under this section.

1303 (7) (a) A natural gas supplier may not, with intent to evade any tax, fail to timely remit
1304 the full amount of tax required by this section.

1305 (b) A violation of this section is punishable as provided in Section 59-1-401.

1306 (c) In addition to the tax due, a person shall pay the penalties described in Section 59-
1307 1-401 and the interest described in Section 59-1-402 if the person fails to:

1308 (i) pay any tax to the state or any amount of tax required to be paid to the state, except
1309 amounts determined to be due by the commission under Chapter 1, Part 14, Assessment,
1310 Collections, and Refunds Act, within the time required by this section; or

1311 (ii) file any return as required by this section.

1312 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1313 commission may make rules governing the procedures for:

1314 (a) administering and collecting the carbon emissions tax imposed under this section;
1315 and

1316 (b) issuing a refund of carbon emissions tax paid by purchasers described in
1317 Subsection (6).

1318 Section 18. Section **59-30-205** is enacted to read:

1319 **59-30-205. Imposition of carbon emissions tax on large emitter.**

1320 (1) Except as otherwise provided in this chapter, an operator of a large emitter shall
1321 pay, for a calendar year beginning on or after January 1, 2022, a carbon emissions tax on each
1322 metric ton of carbon dioxide that the large emitter emitted in this state during the previous
1323 calendar year from combustion of coal, dyed diesel fuel, or fuel gas.

1324 (2) (a) Subject to Subsections (2)(b) and (2)(c), the tax rate of the carbon emissions tax
1325 is, for the calendar year that begins on January 1, 2022, \$12 per metric ton of carbon dioxide
1326 emissions with automatic increases each calendar year:

1327 (i) of 3.5% plus a percentage equal to the greater of the actual percent change during
1328 the previous fiscal year in the Consumer Price Index and 0; and

1329 (ii) rounded up to the nearest cent.

1330 (b) (i) Subject to Subsection (2)(b)(ii), the tax rate described in this Subsection (2) may
1331 not exceed \$100 per metric ton of carbon dioxide emissions.

1332 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1333 maximum tax rate described in Subsection (2)(b)(i) by adding to the maximum tax rate an
1334 amount equal to the greater of:

1335 (A) the amount calculated by multiplying the maximum tax rate for the previous
1336 calendar year by the actual percent change during the previous fiscal year in the Consumer
1337 Price Index; and

1338 (B) 0.

1339 (c) (i) The tax rate for carbon dioxide emissions from the combustion of coal, dyed
1340 diesel fuel, or fuel gas for industrial use shall be 10% of the rate specified in Subsection (2)(a).

1341 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1342 percentage amount in Subsection (2)(c)(i) by adjusting it to the lesser of:

1343 (i) five percentage points more than the percentage amount for the previous year; and

1344 (ii) 50%.

1345 (3) On or before June 30, the operator shall, for the previous calendar year:

1346 (a) report to the commission, on electronic forms provided by the commission, the
1347 number of metric tons of carbon dioxide emissions listed on the certification obtained in
1348 accordance with Section 19-1-207;

1349 (b) calculate the amount of carbon emissions tax due by multiplying the applicable tax
1350 rate described in Subsection (2) by the number of metric tons of carbon dioxide emissions
1351 reported in accordance with Subsection (3)(a); and

1352 (c) pay to the commission the carbon emissions tax imposed under this section.

1353 (4) The Division of Finance shall deposit the carbon emissions tax that the commission
1354 collects under this section into the Carbon Emissions Tax Expendable Revenue Fund, created
1355 in Section 59-30-301.

1356 (5) A large emitter that fails to comply with this chapter is subject to:

1357 (a) penalties described in Section 59-1-401; and

1358 (b) interest described in Section 59-1-402.

1359 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1360 commission may make rules governing the procedures for administering and collecting the
1361 carbon emissions tax imposed under this section.

1362 Section 19. Section **59-30-206** is enacted to read:

1363 **59-30-206. Imposition of carbon emissions tax on electricity provider.**

1364 (1) Except as otherwise provided in this chapter, an electricity provider shall pay, for a
1365 calendar year beginning on or after January 1, 2022, a carbon emissions tax on each metric ton
1366 of carbon dioxide emissions emitted to produce electricity that the electricity provider
1367 delivered in the state during the previous calendar year.

1368 (2) (a) Subject to Subsections (2)(b) and (2)(c), the tax rate of the carbon emissions tax
1369 is, for the calendar year that begins on January 1, 2022, \$12 per metric ton of carbon dioxide
1370 emissions with automatic increases each calendar year:

1371 (i) of 3.5% plus a percentage equal to the greater of the actual percent change during
1372 the previous fiscal year in the Consumer Price Index and 0; and

1373 (ii) rounded up to the nearest cent.

1374 (b) (i) Subject to Subsection (2)(b)(ii), the tax rate described in this Subsection (2) may
1375 not exceed \$100 per metric ton of carbon dioxide emissions.

1376 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1377 maximum tax rate described in Subsection (2)(b)(i) by adding to the maximum tax rate an
1378 amount equal to the greater of:

1379 (A) the amount calculated by multiplying the maximum tax rate for the previous
1380 calendar year by the actual percent change during the previous fiscal year in the Consumer
1381 Price Index; and

1382 (B) 0.

1383 (c) (i) The tax rate for carbon dioxide emissions from electricity delivered for industrial
1384 use shall be 10% of the rate specified in Subsection (2)(a).

1385 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the
1386 percentage amount in Subsection (2)(c)(i) by adjusting it to the lesser of:

1387 (i) five percentage points more than the percentage amount for the previous year; and

1388 (ii) 50%.

1389 (3) On or before June 30, an electricity provider shall, for the previous calendar year:

1390 (a) report to the commission, on electronic forms provided by the commission:

1391 (i) the number of metric tons of carbon dioxide emissions listed on the certification
1392 obtained in accordance with Section 19-1-208;

1393 (ii) the percentage of electricity delivered in the state by that electricity provider that
1394 was delivered for industrial use; and

1395 (iii) the percentage of electricity delivered in the state by that electricity provider that
1396 was delivered for uses other than industrial use.

1397 (b) calculate the amount of carbon emissions tax due for electricity delivered for
1398 industrial use by multiplying together:

1399 (i) the applicable tax rate described in Subsection (2);

1400 (ii) the applicable percentage reported in accordance with Subsection (3)(a)(ii); and

1401 (iii) the number of metric tons of carbon dioxide emissions reported in accordance with
1402 Subsection (3)(a)(i);

1403 (c) calculate the amount of carbon emissions tax due for electricity delivered for uses
1404 other than industrial use by multiplying together:

1405 (i) the applicable tax rate described in Subsection (2);

1406 (ii) the applicable percentage reported in accordance with Subsection (3)(a)(iii); and

1407 (iii) the number of metric tons of carbon dioxide emissions reported in accordance with
1408 Subsection (3)(a)(i); and

1409 (d) pay to the commission the carbon emissions tax imposed under this section.

1410 (4) The commission shall deposit the carbon emissions tax that the commission

1411 collects under this section into the Carbon Emissions Tax Expendable Revenue Fund, created
1412 in Section 59-30-301.

1413 (5) An electricity provider that fails to comply with this chapter is subject to:

1414 (a) penalties described in Section 59-1-401; and

1415 (b) interest described in Section 59-1-402.

1416 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1417 commission may make rules governing the procedures for administering and collecting the
1418 carbon emissions tax imposed under this section.

1419 Section 20. Section 59-30-207 is enacted to read:

1420 **59-30-207. Exemptions.**

1421 (1) A carbon emissions tax imposed under this chapter does not apply to:

1422 (a) fossil fuel brought into the state by means of the fuel supply tank of a motor
1423 vehicle, vessel, locomotive, or aircraft;

1424 (b) fossil fuel emissions that the state is prohibited from taxing under the Utah
1425 Constitution or the constitution or laws of the United States; or

1426 (c) fossil fuel intended for export outside the state.

1427 (2) A carbon emissions tax due under this chapter is in addition to all other taxes
1428 provided by law.

1429 Section 21. Section 59-30-301 is enacted to read:

1430 **Part 3. Carbon Emissions Tax Revenue Accounts**

1431 **59-30-301. Carbon Emissions Tax Expendable Revenue Fund.**

1432 (1) There is created within the General Fund an expendable special revenue fund
1433 known as the "Carbon Emissions Tax Expendable Revenue Fund."

1434 (2) The fund shall consist of:

1435 (a) the revenue generated from taxes imposed under Sections 59-30-204, 59-30-205,
1436 and 59-30-206;

1437 (b) the revenue deposited into the account required under Section 59-12-103;

1438 (c) any interest and penalties levied in relation to the administration of this chapter;

1439 and

1440 (d) any other funds received as donations for the fund and appropriations from other
1441 sources.

1442 (3) Subject to Subsection (6), money in the fund shall be used to:

1443 (a) make the transfers to the Education Fund described in:

1444 (i) Section 59-10-1019; and

1445 (ii) Section 59-10-1113;

1446 (b) make the transfer described in Subsection (5)(b)(i);

1447 (c) make the transfer described in Subsection (5)(b)(ii);
1448 (d) make the transfer described in Subsection (5)(b)(iii);
1449 (e) make the transfer described in Subsection (5)(b)(iv); and
1450 (f) fund the Carbon Emissions Tax Refund Restricted Account created in Section 59-
1451 30-302.

1452 (4) (a) On or before October 1, 2022, the commission shall calculate, for the time
1453 period beginning on January 1, 2022, and ending on June 30, 2022, the total loss of revenue to
1454 the General Fund as a result of the elimination of the state sales and use tax on:

1455 (i) food and food ingredients;
1456 (ii) residential fuel; and
1457 (iii) commercial fuel.

1458 (b) For a fiscal year beginning on or after July 1, 2022, the commission shall calculate
1459 the total loss of revenue to the General Fund for the previous fiscal year as a result of the
1460 elimination of the state sales and use tax on:

1461 (i) food and food ingredients;
1462 (ii) residential fuel; and
1463 (iii) commercial fuel.

1464 (5) (a) The Division of Finance shall make the transfers described in Subsection (5)(b):
1465 (i) except as provided in Subsection (5)(b)(i)(A), for a fiscal year beginning on or after
1466 July 1, 2021;

1467 (ii) subject to Subsection (6); and
1468 (iii) subject to appropriation by the Legislature.

1469 (b) The Division of Finance shall transfer from the fund:

1470 (i) (A) for the time period beginning on January 1, 2022, and ending on June 30, 2022,
1471 into the General Fund, the amount calculated in accordance with Subsection (4)(a); and
1472 (B) for a fiscal year beginning on or after July 1, 2022, into the General Fund, the
1473 amount calculated in accordance with Subsection (4)(b);

1474 (ii) to the Division of Air Quality, created in Section 19-1-105, for the uses described
1475 in Title 19, Chapter 2, Part 2, Clean Air Retrofit, Replacement, and Off-road Technology
1476 Program, \$25,000,000;

1477 (iii) to the Governor's Office of Economic Development -- Rural Employment
1478 Expansion Program, for the Governor's Office of Economic Development created in Section

1479 63N-1-201, in consultation with the Office of Rural Development created in Section 63N-4-
1480 102, to use for diversifying the economy in rural counties and communities, \$50,000,000; and

1481 (iv) to the Department of Environmental Quality, created in Section 19-1-104, for the
1482 uses described in Section 19-2-401, \$75,000,000.

1483 (c) The Division of Finance shall make:

1484 (i) the transfers described in Subsection (5)(b)(i) upon receipt of the calculation
1485 required by Subsection (4) from the commission; and

1486 (ii) the transfers described in Subsections (5)(b)(ii) through (iv) on or before August 1.

1487 (6) In covering the cost of the items identified in Subsection (3), priority shall be given
1488 to the items in the order that they are listed in Subsection (3). If there is a remaining balance in
1489 the fund on June 30, after funding the items described in Subsections (3)(a) through (e) for the
1490 current fiscal year, the Division of Finance shall transfer the remaining amount into the Carbon
1491 Emissions Tax Refund Restricted Account created in Section 59-30-302.

1492 Section 22. Section **59-30-302** is enacted to read:

1493 **59-30-302. Carbon Emissions Tax Refund Restricted Account.**

1494 (1) There is created within the General Fund a restricted account known as the "Carbon
1495 Emissions Tax Refund Restricted Account."

1496 (2) The account shall consist of:

1497 (a) deposits from the Carbon Emissions Tax Expendable Revenue Fund, created in
1498 Section 59-30-301;

1499 (b) money lapsed from the Clean Air Grant Program, created in Section 19-2-401; and

1500 (c) interest earned by the account.

1501 (3) The Legislature may use the money in the account to lower state taxes, especially
1502 for low- and middle-income households and for energy-intensive trade-exposed businesses.

1503 Section 23. Section **63N-2-502** is amended to read:

1504 **63N-2-502. Definitions.**

1505 As used in this part:

1506 (1) "Agreement" means an agreement described in Section 63N-2-503.

1507 (2) "Base taxable value" means the value of hotel property before the construction on a
1508 qualified hotel begins, as that value is established by the county in which the hotel property is
1509 located, using a reasonable valuation method that may include the value of the hotel property

1542 (c) expressing the county's endorsement of a developer of a qualified hotel as meeting
1543 all the county's criteria for receiving the county's endorsement.

1544 (12) "Host agency" means the community reinvestment agency of the host local
1545 government.

1546 (13) "Host local government" means:

1547 (a) a county that enters into an agreement with the office for the construction of a
1548 qualified hotel within the unincorporated area of the county; or

1549 (b) a city or town that enters into an agreement with the office for the construction of a
1550 qualified hotel within the boundary of the city or town.

1551 (14) "Hotel property" means a qualified hotel and any property that is included in the
1552 same development as the qualified hotel, including convention, exhibit, and meeting space,
1553 retail shops, restaurants, parking, and other ancillary facilities and amenities.

1554 (15) "Incentive fund" means the Convention Incentive Fund created in Section 63N-2-
1555 503.5.

1556 (16) "Incremental property tax revenue" means the amount of property tax revenue
1557 generated from hotel property that equals the difference between:

1558 (a) the amount of property tax revenue generated in any tax year by all taxing entities
1559 from hotel property, using the current assessed value of the hotel property; and

1560 (b) the amount of property tax revenue that would be generated that tax year by all
1561 taxing entities from hotel property, using the hotel property's base taxable value.

1562 (17) "Local portion" means the portion of new tax revenue that is generated by local
1563 taxes.

1564 (18) "Local taxes" means a tax imposed under:

1565 (a) Section 59-12-204;

1566 (b) Section 59-12-301;

1567 (c) Sections 59-12-352 and 59-12-353;

1568 (d) Subsection 59-12-603(1)(a)(i)(A);

1569 (e) Subsection 59-12-603(1)(a)(i)(B);

1570 (f) Subsection 59-12-603(1)(a)(ii);

1571 (g) Subsection 59-12-603(1)(a)(iii); or

1572 (h) Section 59-12-1102.

1573 (19) "New tax revenue" means construction revenue, offsite revenue, and onsite
1574 revenue.

1575 (20) "Offsite revenue" means revenue generated from state taxes and local taxes
1576 imposed on transactions by a third-party seller occurring other than on hotel property during
1577 the eligibility period, if:

1578 (a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax
1579 Act; and

1580 (b) the third-party seller voluntarily consents to the disclosure of information to the
1581 office, as provided in Subsection 63N-2-505(2)(b)(i)(E).

1582 (21) "Onsite revenue" means revenue generated from state taxes and local taxes
1583 imposed on transactions occurring on hotel property during the eligibility period.

1584 (22) "Public infrastructure" means:

1585 (a) water, sewer, storm drainage, electrical, telecommunications, and other similar
1586 systems and lines;

1587 (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public
1588 transportation facilities; and

1589 (c) other buildings, facilities, infrastructure, and improvements that benefit the public.

1590 (23) "Qualified hotel" means a full-service hotel development constructed in the state
1591 on or after July 1, 2014 that:

1592 (a) requires a significant capital investment;

1593 (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest
1594 room; and

1595 (c) is located within 1,000 feet of a convention center that contains at least 500,000
1596 square feet of convention, exhibit, and meeting space.

1597 (24) "Qualified hotel owner" means a person who owns a qualified hotel.

1598 (25) "Review committee" means the independent review committee established under
1599 Section 63N-2-504.

1600 (26) "Significant capital investment" means an amount of at least \$200,000,000.

1601 (27) "State portion" means the portion of new tax revenue that is generated by state
1602 taxes.

1603 (28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i)[~~-(2)(b)(i)-~~,
1604 ~~(2)(e)(i);~~] or (2)(d)(i)(A).

1605 (29) "Third-party seller" means a person who is a seller in a transaction:

1606 (a) occurring other than on hotel property;

1607 (b) that is:

1608 (i) the sale, rental, or lease of a room or of convention or exhibit space or other
1609 facilities on hotel property; or

1610 (ii) the sale of tangible personal property or a service that is part of a bundled
1611 transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in
1612 Subsection (29)(b)(i); and

1613 (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.

1614 Section 24. Section **72-2-126** is amended to read:

1615 **72-2-126. Aeronautics Restricted Account.**

1616 (1) There is created a restricted account entitled the Aeronautics Restricted Account
1617 within the Transportation Fund.

1618 (2) The account consists of money generated from the following revenue sources:

1619 (a) aviation fuel tax allocated for aeronautical operations deposited into the account in
1620 accordance with Section 59-13-402;

1621 (b) carbon emissions tax revenue deposited into the account in accordance with
1622 Section 59-30-203;

1623 [~~(b)~~] (c) aircraft registration fees deposited into the account in accordance with Section
1624 72-10-110;

1625 [~~(c)~~] (d) appropriations made to the account by the Legislature;

1626 [~~(d)~~] (e) contributions from other public and private sources for deposit into the
1627 account; and

1628 [~~(e)~~] (f) interest earned on account money.

1629 (3) The department shall allocate funds in the account to the separate accounts of
1630 individual airports as required under Section 59-13-402.

1631 (4) (a) Except as provided in Subsection (4)(b), the department shall use funds in the
1632 account for:

1633 (i) the construction, improvement, operation, and maintenance of publicly used airports
1634 in this state;

1635 (ii) the payment of principal and interest on indebtedness incurred for the purposes
1636 described in this Subsection (4)(a);

1637 (iii) operation of the division of aeronautics;
1638 (iv) the promotion of aeronautics in this state; and
1639 (v) the payment of the costs and expenses of the Department of Transportation in
1640 administering Title 59, Chapter 13, Part 4, Aviation Fuel, or another law conferring upon it the
1641 duty of regulating and supervising aeronautics in this state.

1642 (b) The department may use funds in the account for the support of aerial search and
1643 rescue operations, provided that no money deposited into the account under Subsection (2)(a)
1644 is used for that purpose.

1645 (5) (a) Money in the account may not be used by the department for the purchase of
1646 aircraft for purposes other than those described in Subsection (4).

1647 (b) Money in the account may not be used to provide or subsidize direct operating
1648 costs of travel for purposes other than those described in Subsection (4).

1649 Section 25. **Effective date.**

1650 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2022.

1651 (2) The changes to Sections 59-10-1019, 59-10-1102.1, and 59-10-1113 take effect for
1652 a taxable year beginning on or after January 1, 2022.

1653

1654 END OF CLEAN THE AIR CARBON TAX ACT

1655 Persons gathering signatures for the petition may be paid for doing so.

1656 This initiative petition proposes the creation of a new carbon tax.